GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3351
ANSWERED ON:04.08.2017
Cooperative Banks Losses
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Will the Minister of FINANCE be pleased to state:

(a) whether the cooperative banks in the country are incurring loss;
(b) if so, the details thereof, State/UT wise along with the reasons therefor;
(c) the amount of loss suffered by such of the banks during last three years, bank/ State/UT-wise; and
(d) the steps taken/being taken by the Government to prevent the losses of cooperative banks?

Answer

The Minister of State in theMinistry of Finance

(a) to (d): As reported by NABARD, as on 31 March 2016, out of 33 State Cooperative Banks (StCBs) 05 StCBs were in losses and out of 370 District Central Cooperative Banks (DCCBs) 51 DCCBs had incurred losses. The state wise position in this regard for the last three years is appended at Annexure I, II & III.

The following initiatives have been taken by the Central Government to revive the financial health of Cooperative banks.

(i) A revival package for Short Term Cooperative Credit Structure (STCCS) was implemented during 2011-12 with a financial outlay of ?13596 crore including GoI share of ?9245.28 crore for their recapitalisation and expenditure like HRD and special audits, computerisation, technical assistance etc. The scheme closed on 30.06.2011.

(ii) A Special scheme for revival of 23 unlicensed DCCBs in 04 States (16 in Uttar Pradesh (UP), 03 in Maharashtra, 03 in J&K and 01 in West Bengal) was implemented during 2014-15 with financial requirement of ?2375.42 crores including GoI share of ?673.29 crore.

(iii) National Level and State level review meetings are being conducted regularly by NABARD to review the financial performance of StCBs and DCCBs. Banks are being advised/ guided on measures to improve their financial profitability.